

ORIGINAL



0000069128

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2007 MAR 21 P 12:37

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF ) Docket No. SW -20494A-06-0769  
GLOBAL WATER - PICACHO COVE UTILITIES )  
COMPANY FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY. )

IN THE MATTER OF THE APPLICATION ) Docket No. W-20495A-06-0769  
GLOBAL WATER - PICACHO COVE WATER )  
COMPANY FOR A CERTIFICATE OF ) **NOTICE OF FILING**  
CONVENIENCE AND NECESSITY. ) **ERRATA**

Global Water - Picacho Cove Utilities Company and Global Water - Picacho Cove  
Water Company (collectively "Picacho" or the "Picacho Companies") hereby files a revised copy of  
Exhibit 4 to the Response to Insufficiency Letter filed by Picacho on March 12, 2007. The original  
Exhibit 4 included some schedules that were mislabeled as "sewer" instead of "water." The  
attached schedules correct that error.

RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of March 2007.

ROSHKA DEWULF & PATTEN, PLC

Arizona Corporation Commission

DOCKETED

MAR 21 2007

DOCKETED BY	NR
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By

Timothy J. Sabo  
Michael W. Patten  
Timothy J. Sabo  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

**ROSKA DEWULF & PATTEN, PLC**

ONE ARIZONA CENTER  
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PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 Original + 15 copies of the foregoing  
2 filed this 21<sup>st</sup> day of March 2007, with:

3 Docket Control  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington  
6 Phoenix, Arizona 85007

7 Copies of the foregoing hand-delivered/mailed  
8 This 21<sup>st</sup> day of March 2007, to:

9 Lyn A. Farmer, Esq.  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, Arizona 85007

15 Christopher C. Kempley, Esq.  
16 Chief Counsel, Legal Division  
17 Arizona Corporation Commission  
18 1200 West Washington  
19 Phoenix, Arizona 85007

20 Ernest G. Johnson, Esq.  
21 Director, Utilities Division  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, Arizona 85007

25 By Debbie Amarel  
26  
27

Picacho Cove Water Company, Inc.  
REPRESENTATIVE RATE SCHEDULE

Exhibit  
Schedule 4  
Page 1  
Witness:

0

PROPOSED RATES

LINE  
NO.

	<u>METER SIZE</u>	<u>MONTHLY CHARGE (a)</u>
1		
2		
3	MONTHLY MINIMUMS:	
4	5/8 x 3/4 and	\$ 29.50
5	3/4	\$ 29.50
6	1	\$ 73.75
7	1 1/2	\$ 147.50
8	2	\$ 236.00
9	3	\$ 472.00
10	4	\$ 737.50
11	6	\$ 1,475.00
12		
13	Treated Effluent per Acre Foot (For General Irrigation)	\$ -
14	Treated Effluent per 1,000 Gallons (For General Irrigation)	\$ -
15		
16	Consumptive Charge Tier 1	3.5
17	Consumptive Charge Tier 2	4
18	Consumptive Charge Tier 3	5
19		
20		
21	(a) Monthly minimums (Flat Rate) based on meter size.	
22		
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**Picacho Cove Water Company, Inc.  
REPRESENTATIVE RATE SCHEDULES  
STATEMENT OF CHARGES**

Exhibit  
Schedule 5  
Page 1  
Witness:

0

LINE  
NO.

		Proposed
1	A. Establishment of Service	\$ 30.00
2	Establishment of Service, after hours	\$ 50.00
3		
4	B. Re-establishment of Service	see (a)
5		
6	C. Reconnection of service	\$ 30.00
7		
8	D. After hours service charge, per hour	\$ 50.00
9		
10	E. Minimum Security Deposit	Two Times Monthly Bill
11		
12	F. Charge for NSF Check	\$ 35.00
13		
14	G. Late payment charge for delinquent bills	1.50%
15		
16	H. Deferred Payment Finance Charge	1.50%
17		
18	I. Main Extension and additional facilities agreements,	@ COST (b)
19		
20		
21	J. All Revenue related taxes will be charged customers.	
22		
23	K. Deferred Payment	1.50% Per Month
24	L. Late Payment	1.50% Per Month
25		
26		
27	RULES AND REGULATIONS	
28	* The Company has adopted the Rules and Regulation established by the Commission	
29	as the basis for its operating procedures. Arizona Corporation Commission Rules	
30	will be controlling of Company procedures, unless specific Commission Orders	
31	provide otherwise.	
32	(a) Monthly minimum times months off the system	
33	(b) Cost to include parts, labor, overhead, and all applicable taxes, including	
34	income tax, if applicable.	
35		
36		
37		
38		

## ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Page 1

**Picacho Cove Water Company, Inc.**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash	\$ (4,917,466)	\$ (5,018,543)	\$ (4,654,882)	\$ (4,152,516)	\$ (3,503,242)
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	<u>\$ (4,917,466)</u>	<u>\$ (5,018,543)</u>	<u>\$ (4,654,882)</u>	<u>\$ (4,152,516)</u>	<u>\$ (3,503,242)</u>
<u>Fixed Assets</u>					
Utility Plant	\$ 5,287,530	\$ 5,682,180	\$ 6,076,530	\$ 6,554,780	\$ 7,130,280
(Less) Accumulated Depreciation	<u>(77,734)</u>	<u>(239,230)</u>	<u>(412,761)</u>	<u>(603,241)</u>	<u>(814,525)</u>
Net Plant in Service	\$ 5,209,796	\$ 5,442,950	\$ 5,663,769	\$ 5,951,539	\$ 6,315,755
Total Assets	<u>\$ 292,330</u>	<u>\$ 424,408</u>	<u>\$ 1,008,887</u>	<u>\$ 1,799,023</u>	<u>\$ 2,812,513</u>
<b><u>LIABILITIES AND CAPITAL</u></b>					
<u>Current and Accrued Liabilities</u>					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current and Accrued Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

## ATTACHMENT C

PROFORMA BALANCE SHEET (SEWER)

Page 2

Picacho Cove Water Company, Inc.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<u>Long-Term Debt</u>					
<u>Deferred Credits</u>					
Advances in Aid of Construction	\$ 351,563	\$ 351,563	\$ 703,125	\$ 2,109,375	\$ 2,812,500
Contribution in Aid of Construction, Net of Amortization	-	-	-	-	-
Accumulated Deferred Income Tax	-	-	-	-	-
Total Deferred Credits	<u>\$ 351,563</u>	<u>\$ 351,563</u>	<u>\$ 703,125</u>	<u>\$ 2,109,375</u>	<u>\$ 2,812,500</u>
<u>CAPITAL ACCOUNT</u>					
Common Stock	100,000	100,000	100,000	100,000	100,000
Preferred	0	0	0	0	0
Paid in Capital	0	0	0	0	0
Retained Earnings	<u>(173,983)</u>	<u>(393,467)</u>	<u>(526,863)</u>	<u>(439,852)</u>	<u>(129,487)</u>
Total Capital	<u>\$ (73,983)</u>	<u>\$ (293,467)</u>	<u>\$ (426,863)</u>	<u>\$ (339,852)</u>	<u>\$ (29,487)</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$ 277,580</u>	<u>\$ 58,095</u>	<u>\$ 276,262</u>	<u>\$ 1,769,523</u>	<u>\$ 2,783,013</u>

PROFORMA BALANCE SHEET (WATER)  
Picacho Cove Water Company, Inc.

	Year One	Year Two	Year Three	Year Four	Year Five
Flat Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,023,750
Measured Revenues	-	-	-	-	-
Establishment Charges	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,023,750
OPERATING EXPENSES:					
Pumping Power - All	\$ 1,650	\$ 4,950	\$ 9,900	\$ 16,500	\$ 23,100
Wages	50,000	51,500	53,045	54,636	56,275
Payroll Burden	16,500	16,995	17,505	18,030	18,571
Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Chemicals	6,000	9,000	12,000	15,000	18,000
Supplies	4,000	5,000	6,000	7,000	8,000
Repairs	12,000	16,000	19,000	22,000	25,000
Insurance (b)	4,000	4,120	4,244	4,371	4,502
Office Expense	1,000	3,000	5,000	7,000	9,000
Billing, Postage, Operations	4,518	13,536	27,036	45,036	63,036
Contract Labor	6,000	6,180	6,365	6,556	6,753
Rentals	-	-	-	-	-
Solids Handling	2,063	6,188	12,375	20,625	28,875
Rentals	-	-	-	-	-
Recharge Site Maintenance	-	-	-	-	-
Depreciation net of Amortization of CIAC	77,734	161,495	173,532	190,479	211,284
Vehicles Expenses	5,000	5,150	5,305	5,464	5,628
Legal & Accounting	15,000	15,450	15,914	16,391	16,883
Miscellaneous Expenses	4,800	4,944	5,092	5,245	5,402
Testing	24,000	26,000	28,000	30,000	32,000
Income Taxes	-	-	-	36,545	130,353
Property Taxes	4,218	6,845	13,550	25,433	39,463
Total Operating Expenses	\$ 247,483	\$ 365,473	\$ 423,106	\$ 499,137	\$ 581,274
Operating income (loss)	\$ (247,483)	\$ (146,098)	\$ 15,644	\$ 232,113	\$ 442,476
Less:					
Interest (Expense) Income on Work. Cap.	375	(73,387)	(149,040)	(145,101)	(132,111)
Interest Expense Long-term Debt	-	-	-	-	-
Net Income	\$ (173,983)	\$ (219,485)	\$ (133,396)	\$ 87,012	\$ 310,365

CS-4  
PROFORMA BALANCE SHEET (WATER)  
 FIRST YEAR  
**Picacho Cove Water Company, Inc.**

Page 1

PLANT	ORIGINAL COST	ACCUM DEPRC	ORIG. COST LESS DEPREC.
Organization	\$ -	\$ -	\$ -
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	1,000,000	16,667	983,333
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	-	-	-
Special Collecting Structures	37,755	2,360	35,395
Services to customers / Residential	-	-	-
Services to customers - None Residential	287,500	4,792	282,708
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	2,300,000	25,556	2,274,444
Reuse Meters and Meter Install	4,195	105	4,090
Receiving Wells	1,378,080	13,781	1,364,299
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	-	-	-
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	-	-	-
Plant Sewers	-	-	-
Outfall Sewer Lines	15,000	500	14,500
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	45,000	4,500	40,500
Transportation Equipment	5,000	100	4,900
Stores Equipment	15,000	375	14,625
Tools, Shop and Garage Equipme	40,000	2,000	38,000
Laboratory Equipment	40,000	1,000	39,000
Power Operated Equipment	120,000	6,000	114,000
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 5,287,530</b>	<b>\$ 77,734</b>	<b>\$ 5,209,796</b>



CS-4  
PROFORMA UTILITY PLANT IN SERVICE (SEWER)  
 SECOND YEAR  
 Picacho Cove Water Company, Inc.

Page 2

PLANT	ORIGINAL COST	ACCUM DEPRC	ORIG. COST LESS DEPREC.
Organization	\$ -	\$ -	\$ -
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	1,000,000	50,000	950,000
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	-	-	-
Special Collecting Structures	75,240	9,422	65,818
Services to customers / Residential	-	-	-
Services to customers - None Residential	287,500	14,375	273,125
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	2,300,000	76,667	2,223,333
Reuse Meters and Meter Install	8,360	419	7,941
Receiving Wells	1,726,080	44,822	1,681,258
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	-	-	-
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	-	-	-
Plant Sewers	-	-	-
Outfall Sewer Lines	15,000	1,500	13,500
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	45,000	13,500	31,500
Transportation Equipment	10,000	400	9,600
Stores Equipment	15,000	1,125	13,875
Tools, Shop and Garage Equipme	40,000	6,000	34,000
Laboratory Equipment	40,000	3,000	37,000
Power Operated Equipment	120,000	18,000	102,000
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Totals	\$ 5,682,180	\$ 239,230	\$ 5,442,950

CS-4  
PROFORMA UTILITY PLANT IN SERVICE (SEWER)  
 THIRD YEAR  
**Picacho Cove Water Company, Inc.**

Page 3

PLANT	ORIGINAL COST	ACCUM DEPRC	ORIG. COST LESS DEPREC.
Organization	\$ -	\$ -	\$ -
Franchises	0	-	-
Land and Land Rights	-	-	-
Structures and Improvements	1,000,000	83,333	916,667
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	-	-	-
Special Collecting Structures	112,455	21,153	91,302
Services to customers / Residential	-	-	-
Services to customers - None Residential	287,500	23,958	263,542
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	2,300,000	127,778	2,172,222
Reuse Meters and Meter Install	12,495	940	11,555
Receiving Wells	2,074,080	82,824	1,991,256
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	-	-	-
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	-	-	-
Plant Sewers	-	-	-
Outfall Sewer Lines	15,000	2,500	12,500
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	45,000	22,500	22,500
Transportation Equipment	15,000	900	14,100
Stores Equipment	15,000	1,875	13,125
Tools, Shop and Garage Equipme	40,000	10,000	30,000
Laboratory Equipment	40,000	5,000	35,000
Power Operated Equipment	120,000	30,000	90,000
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 6,076,530</b>	<b>\$ 412,761</b>	<b>\$ 5,663,769</b>

CS-4  
PROFORMA UTILITY PLANT IN SERVICE (SEWER)  
 FOURTH YEAR  
**Picacho Cove Water Company, Inc.**

Page 4

PLANT	ORIGINAL COST	ACCUM DEPRC	ORIG. COST LESS DEPREC.
Organization	\$ -	\$ -	\$ -
Franchises	0	-	-
Land and Land Rights	-	-	-
Structures and Improvements	1,000,000	116,667	883,333
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	-	-	-
Special Collecting Structures	225,180	42,255	182,925
Services to customers / Residential	-	-	-
Services to customers - None Residential	287,500	33,542	253,958
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	2,300,000	178,889	2,121,111
Reuse Meters and Meter Install	25,020	1,878	23,142
Receiving Wells	2,422,080	127,786	2,294,294
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	-	-	-
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	-	-	-
Plant Sewers	-	-	-
Outfall Sewer Lines	15,000	3,500	11,500
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	45,000	31,500	13,500
Transportation Equipment	20,000	1,600	18,400
Stores Equipment	15,000	2,625	12,375
Tools, Shop and Garage Equipme	40,000	14,000	26,000
Laboratory Equipment	40,000	7,000	33,000
Power Operated Equipment	120,000	42,000	78,000
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 6,554,780</b>	<b>\$ 603,241</b>	<b>\$ 5,951,539</b>

CS-4  
PROFORMA UTILITY PLANT IN SERVICE (SEWER)  
 FIFTH YEAR  
**Picacho Cove Water Company, Inc.**

Page 5

PLANT	ORIGINAL COST	ACCUM DEPRC	ORIG. COST LESS DEPREC.
Organization	\$ -	\$ -	\$ -
Franchises	0	-	-
Land and Land Rights	-	-	-
Structures and Improvements	1,000,000	150,000	850,000
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	-	-	-
Special Collecting Structures	300,150	75,088	225,062
Services to customers / Residential	-	-	-
Services to customers - None Residential	287,500	43,125	244,375
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	2,300,000	230,000	2,070,000
Reuse Meters and Meter Install	33,350	3,337	30,013
Receiving Wells	2,909,280	181,099	2,728,181
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	-	-	-
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	-	-	-
Plant Sewers	-	-	-
Outfall Sewer Lines	15,000	4,500	10,500
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	45,000	40,500	4,500
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	15,000	3,375	11,625
Tools, Shop and Garage Equipme	40,000	18,000	22,000
Laboratory Equipment	40,000	9,000	31,000
Power Operated Equipment	120,000	54,000	66,000
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 7,130,280</b>	<b>\$ 814,525</b>	<b>\$ 6,315,755</b>

CW-4  
ATTACHMENT "D"  
WATER TARIFF SCHEDULE

Page 1

UTILITY: Picacho Cove Water Company, Inc.

RATES AND CHARGES

FLAT RATE

RESIDENTIAL AND COMMERCIAL  
BASED ON WATER METER SIZE

5/8 x 3/4 And	\$	29.50	PER MONTH
3/4	\$	29.50	PER MONTH
1	\$	73.75	PER MONTH
1 1/2	\$	147.50	PER MONTH
2	\$	236.00	PER MONTH
3	\$	472.00	PER MONTH
4	\$	737.50	PER MONTH
6	\$	1,475.00	PER MONTH

BASED ON WATER USAGE

RESIDENTIAL MINIMUM	N/A	FOR	N/A	GALLONS
EXCESS OF MINIMUM	N/A	FOR	N/A	GALLONS
COMMERCIAL MINIMUM	N/A	FOR	N/A	GALLONS
EXCESS OF MINIMUM	N/A	FOR	N/A	GALLONS

EFFLUENT SALES: (if applicable)

\$ -	PER ACRE FOOT (FOR GENERAL IRRIGATION)
\$ -	PER 1,000 GALLONS (FOR GENERAL IRRIGATION)

SERVICE LINE CONNECTION CHARGE      \$ \_\_\_\_\_ (TO BE CONTRIBUTED BY BUILDER)

SERVICE CHARGES:

1.	ESTABLISHMENT (R14-2-603.D.1)	\$ 30.00	
2.	RECONNECTION / DELINQUENT (R14-2-603.D.1)	\$ 50.00	
3.	DEPOSIT (R14-2-603.B.3)		per rule
4.	DEPOSIT INTEREST (R14-2-608.E.1)		% per rule
5.	REESTABLISHMENT WITHIN 12 MONTHS (R14-2-608.F.1)	(a)	
6.	NSF CHECK (R14-2-608.E.1)	\$ 35.00	
7.	LATE PAYMENT PENALTY (R14-2-608.F.1)	1.50%	Per Month
	DEFERRED PAYMENT PLAN	1.50%	Per Month

All Revenue related taxes will be charged customers.

Main Extension and additional facilities agreements,  
RULES AND REGULATIONS

@ COST (b)

\* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

Picacho Cove Water Company, Inc.  
Projected Balance Sheets  
For the Years Ended

Exhibit  
Schedule 1  
Page 1  
Witness:

0

Line No.	Beginning of Year	Label	1st year Changes	Year				
				1	2	3	4	5
2		Assets						
4		Utility Plant	(a)	5,287,530	5,682,180	6,076,530	6,554,780	7,130,280
5				(77,734)	(239,230)	(412,761)	(603,241)	(814,525)
6		Accumulated Depreciation	(b)					
7				(4,917,466)	(5,018,543)	(4,654,882)	(4,152,516)	(3,503,242)
8	25,000	Cash						
10								
11	\$ 25,000	Total Assets		\$ 267,330	\$ 424,408	\$ 1,008,887	\$ 1,799,023	\$ 2,812,513
12		Equity and Liabilities						
13								
14		Equity						
15								
16		Common Stock	(d)	75,000	100,000	100,000	100,000	100,000
17	25,000							
18		Retained Earnings	(e)	(173,983)	(393,467)	(526,863)	(439,852)	(129,487)
19				(98,983)	(293,467)	(426,863)	(339,852)	(29,487)
20	\$ 25,000	Total Equity		\$ (73,983)	\$ (293,467)	\$ (426,863)	\$ (339,852)	\$ (29,487)
21		Liabilities & Deferred Credits						
22		Advances in Aid of Construction	(f)	351,563	703,125	1,406,250	2,109,375	2,812,500
23								
24		Contributions in Aid of Construction	(g)	-	-	-	-	-
25		Construction	(h)	-	-	-	-	-
26		Less: Amortization	(i)	14,750	14,750	29,500	29,500	29,500
27		Customer Deposits						
28								
29		Long-Term Debt						
30								
31		Total Liabilities and Deferred Credits		366,313	717,875	1,435,750	2,138,875	2,842,000
32								
33								
34		Total Equity & Liab.		\$ 267,330	\$ 424,408	\$ 1,008,887	\$ 1,799,023	\$ 2,812,513
35	\$ 25,000							

- (a) Plant Additions (See Schedule 1a)  
 (b) Depreciation Computations (See Schedule 1a)  
 (c) Change in cash (Please Schedule 3)  
 (d) Common Stock issuance and or repurchase. (See Schedule 1b)  
 (e) Profit or loss from operations (See Schedule 2)  
 (f) Advances in Aid of Construction (See Schedule 1c)  
 (g) Contributions in Aid of Construction (See Schedule 1e)  
 (h) Amortization of Contributions in Aid of Construction, if applicable (See Schedule 1e)  
 (i) Security deposits (2 times average bill), Not Shown as assumed security deposit refunded after one year

**Picacho Cove Water Company, Inc.**  
Summary Listing of Plant Additions by Year

Exhibit  
Schedule 1a  
Summary Page  
Witness: 0

Acct. No	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
351 Organization	-	-	-	-	-	-
352 Franchises	-	-	-	-	-	-
353 Land and Land Rights	-	-	-	-	-	-
354 Structures and Improvements	1,000,000	-	-	-	-	1,000,000
355 Power Generation Equipment	-	-	-	-	-	-
360 Collection sewers -Force	-	-	-	-	-	-
361 Collection Sewers - Gravity (AIAC)	-	-	-	-	-	-
362 Special Collecting Structures	37,755	37,485	37,215	112,725	74,970	300,150
363 Services to customers / Residential	-	-	-	-	-	-
363 Services to customers - None Residential	250,000	-	-	-	-	250,000
364 Flow measuring Devices	-	-	-	-	-	-
365 Flow measuring Installations	-	-	-	-	-	-
366 Reuse Services	2,300,000	-	-	-	-	2,300,000
367 Reuse Meters and Meter Install	4,195	4,165	4,135	12,525	8,330	33,350
370 Receiving Wells	1,378,080	348,000	348,000	348,000	487,200	2,909,280
371 Pumping Equipment	-	-	-	-	-	-
374 Reuse Distribution Reservoirs	-	-	-	-	-	-
375 Reuse Transmission and Distributions	-	-	-	-	-	-
380 Treatment and Disposal Equipment*	-	-	-	-	-	-
381 Plant Sewers	-	-	-	-	-	-
382 Outfall Sewer Lines	15,000	-	-	-	-	15,000
389 Other Plant and Miscellaneous	-	-	-	-	-	-
390 Office Furniture and Equipment	45,000	-	-	-	-	45,000
391 Transportation Equipment	5,000	5,000	5,000	5,000	5,000	25,000
392 Stores Equipment	15,000	-	-	-	-	15,000
393 Tools, Shop and Garage Equipme	40,000	-	-	-	-	40,000
394 Laboratory Equipment	40,000	-	-	-	-	40,000
395 Power Operated Equipment	120,000	-	-	-	-	120,000
396 Communication Equipment	-	-	-	-	-	-
397 Miscellaneous Equipment	-	-	-	-	-	-
398 Other Tangible Plant	-	-	-	-	-	-
Totals	5,250,030	394,650	394,350	478,250	575,500	7,092,780

		Year 1	
Water Distribution Pipeline (AIAC)			
42"		\$	-
36"		\$	-
30"		\$	-
24"		\$	-
21"		\$	-
18"		\$	-
16"		\$	-
12"		\$	-
10"		\$	-
8"		\$	-
Sub-Total		\$	-

In-Parcel Distribution (AIAC)			
DU's	90000 ft/sq.mi.	250	\$ 351,562.50
	4 DU's/acre		
\$	40.00		
Sub-Total		\$	351,562.50

Booster Pump Station (AIAC)			
Wells	EA	\$	-
Pump Station	perMGD	\$	-
Sub-Total		\$	-

Water Storage(AIAC)			
Storage per MG	perMGD	\$	-
NA		\$	-
Total AIAC		\$	351,562.50



Year 2

Year 3

Year 4

Year 5

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\$	703,125.00
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**Picacho Cove Water Company, Inc.**  
**Plant**  
**Projected Years**

Exhibit  
Schedule 1a  
Page 1  
Witness:

Line No.	Account	Description	C/ Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance
1		With Treatment Plant Depreciation computed on Percent of Capacity							
2									
3									
4									
5	304	Structures and Improvements	3.33%						
6	305	Collecting & Impounding Reservoirs	2.50%						
7	306	Land and Land Rights	2.50%						
8	307	Wells & Springs	3.33%	1,000,000		1,000,000	1,000,000	16,667	1,000,000
9	308	Infiltration Galleries	6.67%						
10	309	Raw Water Supply Mains	2.00%						
11	310	Power Generation Equipment	5.00%						
12	311	Pumping Equipment	12.50%	37,755		37,755	37,755	2,360	37,755
13	320	Water Treatment Equipment							
14	320.1	Water Treatment Plants	3.33%	250,000		250,000			
15	320.2	Solution Chemical Feeders	20.00%						
16	330	Distribution Reservoirs & Standpipes							
17	330.1	Storage Tanks	2.22%	2,300,000		2,300,000	2,300,000	25,556	2,300,000
18	330.2	Pressure Tanks	5.00%	4,195		4,195	4,195	105	4,195
19	331	Transmission & Distribution Mains	2.00%	1,378,080		1,378,080	1,378,080	13,781	1,378,080
20	333	Services	3.33%						
21	334	Meters	8.33%						
22	335	Hydrants	2.00%						
23	336	Backflow Prevention Devices	6.67%						
24	339	Other Plant & Misc Equipment	6.67%						
25	340	Office Furniture and Equipment	6.67%						
26	340.1	Computers & Software	20.00%						
27	341	Transportation Equipment	20.00%	15,000		15,000	15,000	500	15,000
28	342	Stores Equipment	20.00%	45,000		45,000	45,000	4,500	45,000
29	343	Tools, Shop and Garage Equipme	4.00%	5,000		5,000	5,000	100	5,000
30	344	Laboratory Equipment	5.00%	15,000		15,000	15,000	375	15,000
31	345	Power Operated Equipment	10.00%	40,000		40,000	40,000	2,000	40,000
32	346	Communication Equipment	5.00%	40,000		40,000	40,000	1,000	40,000
33	347	Miscellaneous Equipment	10.00%	120,000		120,000	120,000	6,000	120,000
34	348	Other Tangible Plant	10.00%						
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51									
52									
53									

Totals	\$ 5,250,030	\$ 37,500	\$ 5,287,530	\$ 5,287,530	\$ 77,734	\$ 5,287,530
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Composite Rate with 1/2 yr convention on Plant Additions

1.47%

Licenses, Taxes, Permits	\$ -
Engineering and Contingency	-
Total	\$ -

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections 251  
Capacity (in customer connections) 5,700  
Capacity Factor 4.40%

Picacho Cove Water Company, Inc.

Plant

Projected Years

0

Line No.	Account	Description	CI/ Depreciation Rate	A/D Balance
1	304	Structures and Improvements	3.33%	-
2	305	Collecting & Impounding Reservoirs	2.50%	-
3	306	Land and Land Rights	3.33%	16,667
4	307	Wells & Springs	6.67%	-
5	308	Infiltration Galleries	2.00%	-
6	309	Raw Water Supply Mains	5.00%	-
7	310	Power Generation Equipment	12.50%	2,360
8	311	Pumping Equipment	-	-
9	320	Water Treatment Equipment	3.33%	4,792
10	320.1	Water Treatment Plants	20.00%	-
11	320.2	Solution Chemical Feeders	2.22%	25,556
12	330	Distribution Reservoirs & Standpipes	5.00%	105
13	330.1	Storage Tanks	2.00%	13,781
14	330.2	Pressure Tanks	3.33%	-
15	331	Transmission & Distribution Mains	8.33%	-
16	333	Services	2.00%	-
17	334	Meters	6.67%	-
18	335	Hydrants	6.67%	-
19	336	Backflow Prevention Devices	6.67%	-
20	339	Other Plant & Misc Equipment	20.00%	500
21	340	Office Furniture and Equipment	20.00%	-
22	340.1	Computers & Software	4.00%	4,500
23	341	Transportation Equipment	5.00%	100
24	342	Stores Equipment	10.00%	375
25	343	Tools, Shop and Garage Equipme	5.00%	2,000
26	344	Laboratory Equipment	5.00%	1,000
27	345	Power Operated Equipment	10.00%	6,000
28	346	Communication Equipment	10.00%	-
29	347	Miscellaneous Equipment	-	-
30	348	Other Tangible Plant	-	-
31				
32				
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\$ 77,734

Totals

Composite Rate with 1/2 yr convention on Plant Additions

Licenses, Taxes, Permits  
Engineering and Contingency  
Total

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)

Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.  
Plant  
Projected Years

Line No.	Account	Description	CI/ Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance
						\$	\$	\$	\$
1	304	Structures and Improvements	3.33%			-	-	-	-
2	305	Collecting & Impounding Reservoirs	2.50%			-	-	-	-
3	306	Land and Land Rights	2.50%			-	-	-	-
4	307	Wells & Springs	3.33%			-	-	33,333	1,000,000
5	308	Infiltration Galleries	6.67%			-	-	-	-
6	309	Raw Water Supply Mains	2.00%			-	-	-	-
7	310	Power Generation Equipment	5.00%			-	-	-	-
8	311	Pumping Equipment	12.50%			-	-	-	-
9	320	Water Treatment Equipment		37,485		37,485	37,485	7,062	75,240
10	320.1	Water Treatment Plants	3.33%			-	-	-	-
11	320.2	Solution Chemical Feeders	20.00%			-	-	9,583	287,500
12	330	Distribution Reservoirs & Standpipes				-	-	-	-
13	330.1	Storage Tanks	2.22%			-	-	-	-
14	330.2	Pressure Tanks	5.00%			-	-	51,111	2,300,000
15	331	Transmission & Distribution Mains	2.00%			-	-	314	8,360
16	333	Services	3.33%			-	-	31,042	1,726,080
17	334	Meters	8.33%			-	-	-	-
18	335	Hydrants	2.00%			-	-	-	-
19	336	Backflow Prevention Devices	6.67%			-	-	-	-
20	339	Other Plant & Misc Equipment	6.67%			-	-	-	-
21	340	Office Furniture and Equipment	6.67%			-	-	-	-
22	340.1	Computers & Software	20.00%			-	-	-	-
23	341	Transportation Equipment	20.00%			-	-	-	-
24	342	Stores Equipment	4.00%			-	-	-	-
25	343	Tools, Shop and Garage Equipme	5.00%			-	-	-	-
26	344	Laboratory Equipment	10.00%			-	-	-	-
27	345	Power Operated Equipment	5.00%			-	-	-	-
28	346	Communication Equipment	10.00%			-	-	-	-
29	347	Miscellaneous Equipment	10.00%			-	-	-	-
30	348	Other Tangible Plant				-	-	-	-
31						-	-	-	-
32						-	-	-	-
33						-	-	-	-
34						-	-	-	-
35						-	-	-	-
36						-	-	-	-
37						-	-	-	-
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41						-	-	-	-
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50						-	-	-	-
51						-	-	-	-
52						-	-	-	-
53						-	-	-	-

Totals \$ 394,650 \$ - \$ 394,650 \$ 394,650 \$ 161,495 \$ 5,882,180

Composite Rate with 1/2 yr convention on Plant Additions 2.84%

Licenses, Taxes, Permits  
Engineering and Contingency  
Total  
\$ -  
\$ -  
\$ -  
501  
5,700  
8.79%

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.  
Plant  
Projected Years

0

Line No.	Account	Description	CI/ Depreciation Rate	A/D Balance \$
1	304	Structures and Improvements	3.33%	-
2	305	Collecting & Impounding Reservoirs	2.50%	-
3	306	Land and Land Rights	2.50%	-
4	307	Wells & Springs	3.33%	50,000
5	308	Infiltration Galleries	6.67%	-
6	309	Raw Water Supply Mains	2.00%	-
7	310	Power Generation Equipment	5.00%	-
8	311	Pumping Equipment	12.50%	9,422
9	320	Water Treatment Equipment	-	-
10	320.1	Water Treatment Plants	3.33%	14,375
11	320.2	Solution Chemical Feeders	20.00%	-
12	330	Distribution Reservoirs & Standpipes	-	-
13	330.1	Storage Tanks	2.22%	76,667
14	330.2	Pressure Tanks	5.00%	419
15	331	Transmission & Distribution Mains	2.00%	44,822
16	333	Services	3.33%	-
17	334	Meters	8.33%	-
18	335	Hydrants	2.00%	-
19	336	Backflow Prevention Devices	6.67%	-
20	339	Other Plant & Misc Equipment	6.67%	-
21	340	Office Furniture and Equipment	6.67%	1,500
22	340.1	Computers & Software	20.00%	-
23	341	Transportation Equipment	20.00%	13,500
24	342	Stores Equipment	4.00%	400
25	343	Tools, Shop and Garage Equipme	5.00%	1,125
26	344	Laboratory Equipment	10.00%	6,000
27	345	Power Operated Equipment	5.00%	3,000
28	346	Communication Equipment	10.00%	18,000
29	347	Miscellaneous Equipment	10.00%	-
30	348	Other Tangible Plant	-	-
31			-	-
32			-	-
33			-	-
34			-	-
35			-	-
36			-	-
37			-	-
38			-	-
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48			-	-
49			-	-
50			-	-
51			-	-
52			-	-
53			-	-

Totals \$ 239,230

Composite Rate with 1/2 yr convention on Plant Additions

Licenses, Taxes, Permits  
Engineering and Contingency  
Total

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.  
Plant  
Projected Years

Line No.	Account	Description	CI/ Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance
1		With Treatment Plant Depreciation computed on Percent of Capacity							
2									
3									
4	304	Structures and Improvements	3.33%						
5	305	Collecting & Impounding Reservoirs	2.50%						
6	306	Land and Land Rights	2.50%						
7	307	Wells & Springs	3.33%					33,333	1,000,000
8	308	Infiltration Galleries	6.67%						
9	309	Raw Water Supply Mains	2.00%						
10	310	Power Generation Equipment	5.00%						
11	311	Pumping Equipment	12.50%	37,215		37,215	37,215	11,731	112,455
12	320	Water Treatment Equipment							
13	320.1	Water Treatment Plants	3.33%					9,583	287,500
14	320.2	Solution Chemical Feeders	20.00%						
15	330	Distribution Reservoirs & Standpipes							
16	330.1	Storage Tanks	2.22%					51,111	2,300,000
17	330.2	Pressure Tanks	5.00%	4,135		4,135	4,135	521	12,495
18	331	Transmission & Distribution Mains	2.00%	348,000		348,000	348,000	38,002	2,074,080
19	333	Services	3.33%						
20	334	Meters	8.33%						
21	335	Hydrants	2.00%						
22	336	Backflow Prevention Devices	6.67%						
23	339	Other Plant & Misc Equipment	6.67%						
24	340	Office Furniture and Equipment	6.67%					1,000	15,000
25	340.1	Computers & Software	20.00%						
26	341	Transportation Equipment	20.00%						
27	342	Stores Equipment	4.00%	5,000		5,000	5,000	9,000	45,000
28	343	Tools, Shop and Garage Equipme	5.00%					500	15,000
29	344	Laboratory Equipment	10.00%					750	15,000
30	345	Power Operated Equipment	5.00%					4,000	40,000
31	346	Communication Equipment	10.00%					2,000	40,000
32	347	Miscellaneous Equipment	10.00%					12,000	120,000
33	348	Other Tangible Plant							
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Totals	\$	394,350	\$	-	\$	394,350	\$	394,350	\$	173,532	\$	6,076,530
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Composite Rate with 1/2 yr convention on Plant Additions

2.86%

Licenses, Taxes, Permits	\$	-
Engineering and Contingency	\$	-
Total	\$	-

*Capacity Adjustment to Depreciation Expense -	1,001
380 Treatment Plant (Requires an Accounting Order)	5,700
Customer connections	17.56%
Capacity (in customer connections)	
Capacity Factor	

Picacho Cove Water Company, Inc.  
Plant  
Projected Years

0

Line No.	Account	Description	CI/ Depreciation %	Rate	A/D Balance \$
1		With Treatment Plant Depreciation computed on Percent of Capacity			
2					
3					
4					
5	304	Structures and Improvements	3.33%		-
6	305	Collecting & Impounding Reservoirs	2.50%		-
7	306	Land and Land Rights	2.50%		-
8	307	Wells & Springs	3.33%		83,333
9	308	Infiltration Galleries	6.67%		-
10	309	Raw Water Supply Mains	2.00%		-
11	310	Power Generation Equipment	5.00%		-
12	311	Pumping Equipment	12.50%		21,153
13	320	Water Treatment Equipment			-
14	320.1	Water Treatment Plants	3.33%		23,958
15	320.2	Solution Chemical Feeders	20.00%		-
16	330	Distribution Reservoirs & Standpipes			-
17	330.1	Storage Tanks	2.22%		127,778
18	330.2	Pressure Tanks	5.00%		940
19	331	Transmission & Distribution Mains	2.00%		82,824
20	333	Services	3.33%		-
21	334	Meters	8.33%		-
22	335	Hydrants	2.00%		-
23	336	Backflow Prevention Devices	6.67%		-
24	339	Other Plant & Misc Equipment	6.67%		-
25	340	Office Furniture and Equipment	6.67%		2,500
26	340.1	Computers & Software	20.00%		-
27	341	Transportation Equipment	20.00%		22,500
28	342	Stores Equipment	4.00%		900
29	343	Tools, Shop and Garage Equipme	5.00%		1,875
30	344	Laboratory Equipment	10.00%		10,000
31	345	Power Operated Equipment	5.00%		5,000
32	346	Communication Equipment	10.00%		30,000
33	347	Miscellaneous Equipment	10.00%		-
34	348	Other Tangible Plant			-
35					-
36					
37					
38					
39					
40					
41		Totals			\$ 412,761
42		Composite Rate with 1/2 yr convention on Plant Additions			
43					
44		Licenses, Taxes, Permits			
45		Engineering and Contingency			
46		Total			
47					
48		*Capacity Adjustment to Depreciation Expense -			
49		380 Treatment Plant (Requires an Accounting Order)			
50		Customer connections			
51		Capacity (in customer connections)			
52		Capacity Factor			
53					



Picacho Cove Water Company, Inc.  
Plant  
Projected Years

Line No.	Account	Description	C/I	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*
1		With Treatment Plant Depreciation computed on Percent of Capacity							
2									
3									
4	304	Structures and Improvements		3.33%					
5	305	Collecting & Impounding Reservoirs		2.50%					
6	306	Land and Land Rights		2.50%					
7	307	Wells & Springs		3.33%					33,333
8	308	Infiltration Galleries		6.67%					
9	309	Raw Water Supply Mains		2.00%					
10	310	Power Generation Equipment		5.00%					
11	311	Pumping Equipment		12.50%					
12	320	Water Treatment Equipment			112,725		112,725	112,725	21,102
13	320.1	Water Treatment Plants		3.33%					9,583
14	320.2	Solution Chemical Feeders		20.00%					
15	330	Distribution Reservoirs & Standpipes							
16	330.1	Storage Tanks		2.22%					51,111
17	330.2	Pressure Tanks		5.00%			12,525	12,525	938
18	331	Transmission & Distribution Mains		2.00%			348,000	348,000	44,962
19	333	Services		3.33%					
20	334	Meters		8.33%					
21	335	Hydrants		2.00%					
22	336	Backflow Prevention Devices		6.67%					
23	339	Other Plant & Misc Equipment		6.67%					
24	340	Office Furniture and Equipment		6.67%					1,000
25	340.1	Computers & Software		20.00%					
26	341	Transportation Equipment		20.00%					
27	342	Stores Equipment		4.00%	5,000		5,000	5,000	9,000
28	343	Tools, Shop and Garage Equipme		5.00%					700
29	344	Laboratory Equipment		10.00%					4,000
30	345	Power Operated Equipment		5.00%					2,000
31	346	Communication Equipment		10.00%					12,000
32	347	Miscellaneous Equipment		10.00%					
33	348	Other Tangible Plant							
34									
35									
36									
37									
38									
39									
40									
41		Totals					\$ 478,250	\$ 478,250	\$ 190,479
42		Composite Rate with 1/2 yr convention on Plant Additions							2.91%
43									
44		Licenses, Taxes, Permits							
45		Engineering and Contingency							
46		Total							
47									
48									
49		*Capacity Adjustment to Depreciation Expense -							
50		380 Treatment Plant (Requires an Accounting Order)							1,501
51		Customer connections							5,700
52		Capacity (in customer connections)							26.33%
53		Capacity Factor							

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.

Plant  
Projected Years

Exhibit  
Schedule 1a

Page 4

Witness:

0

Line  
No.

With Treatment Plant Depreciation computed on Percent of Capacity

Account	Description	CI/ Depreciation Rate	Balance	A/D Balance
304	Structures and Improvements	3.33%	-	\$ -
305	Collecting & Impounding Reservoirs	2.50%	-	-
306	Land and Land Rights	3.33%	1,000,000	116,867
307	Wells & Springs	6.67%	-	-
308	Infiltration Galleries	2.00%	-	-
309	Raw Water Supply Mains	5.00%	-	-
310	Power Generation Equipment	12.50%	225,180	42,255
311	Pumping Equipment	-	-	-
320	Water Treatment Equipment	3.33%	287,500	33,542
320.1	Water Treatment Plants	20.00%	-	-
320.2	Solution Chemical Feeders	2.22%	2,300,000	178,889
330	Distribution Reservoirs & Standpipes	5.00%	25,020	1,878
330.1	Storage Tanks	2.00%	2,422,080	127,786
330.2	Pressure Tanks	3.33%	-	-
331	Transmission & Distribution Mains	8.33%	-	-
333	Services	2.00%	-	-
334	Meters	6.67%	-	-
335	Hydrants	6.67%	-	-
336	Backflow Prevention Devices	6.67%	-	-
339	Other Plant & Misc Equipment	20.00%	15,000	3,500
340	Office Furniture and Equipment	20.00%	-	-
340.1	Computers & Software	4.00%	45,000	31,500
341	Transportation Equipment	5.00%	20,000	1,600
342	Stores Equipment	10.00%	15,000	2,625
343	Tools, Shop and Garage Equipme	5.00%	40,000	14,000
344	Laboratory Equipment	5.00%	40,000	7,000
345	Power Operated Equipment	10.00%	120,000	42,000
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-

Totals \$ 6,554,780 \$ 603,241

Composite Rate with 1/2 yr convention on Plant Additions

Licenses, Taxes, Permits  
Engineering and Contingency  
Total

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

\$	575,500	\$	-	\$	575,500	\$	211,284	\$	7,130,280
----	---------	----	---	----	---------	----	---------	----	-----------

### Composite Rate with 1/2 yr convention on Plant Additions

2.96%

\$		\$
1	1	1

2,001  
5,700  
35.11%

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.  
Plant  
Projected Years

0

Line No.	Account	Description	C/Y	Depreciation Rate	A/D Balance \$
1	304	Structures and Improvements	0	3.33%	-
2	305	Collecting & Impounding Reservoirs	0	2.50%	-
3	306	Land and Land Rights	0	2.50%	-
4	307	Wells & Springs	0	3.33%	150,000
5	308	Infiltration Galleries	0	6.67%	-
6	309	Raw Water Supply Mains	0	2.00%	-
7	310	Power Generation Equipment	0	5.00%	-
8	311	Pumping Equipment	0	12.50%	75,088
9	312	Water Treatment Equipment	0	-	-
10	320	Water Treatment Plants	0	3.33%	43,125
11	320.1	Solution Chemical Feeders	0	20.00%	-
12	320.2	Distribution Reservoirs & Standpipes	0	-	-
13	330	Storage Tanks	0	2.22%	230,000
14	330.1	Pressure Tanks	0	5.00%	3,337
15	330.2	Transmission & Distribution Mains	0	2.00%	181,099
16	331	Services	0	3.33%	-
17	332	Meters	0	8.33%	-
18	333	Hydrants	0	2.00%	-
19	334	Backflow Prevention Devices	0	6.67%	-
20	335	Other Plant & Misc Equipment	0	6.67%	-
21	336	Office Furniture and Equipment	0	6.67%	4,500
22	337	Computers & Software	0	20.00%	-
23	338	Transportation Equipment	0	20.00%	40,500
24	339	Stores Equipment	0	4.00%	2,500
25	340	Tools, Shop and Garage Equipme	0	5.00%	3,375
26	341	Laboratory Equipment	0	10.00%	18,000
27	342	Power Operated Equipment	0	5.00%	9,000
28	343	Communication Equipment	0	10.00%	54,000
29	344	Miscellaneous Equipment	0	10.00%	-
30	345	Other Tangible Plant	0	-	-
31	346		0	-	-
32	347		0	-	-
33	348		0	-	-
34			0	-	-
35			0	-	-
36			0	-	-
37			0	-	-
38			0	-	-
39			0	-	-
40			0	-	-
41			0	-	-
42			0	-	-
43			0	-	-
44			0	-	-
45			0	-	-
46			0	-	-
47			0	-	-
48			0	-	-
49			0	-	-
50			0	-	-
51			0	-	-
52			0	-	-
53			0	-	-

\$ 814,525

Totals

Composite Rate with 1/2 yr convention on Plant Additions

Licenses, Taxes, Permits  
Engineering and Contingency  
Total

\*Capacity Adjustment to Depreciation Expense -  
380 Treatment Plant (Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Picacho Cove Water Company, Inc.  
 Projected Capital Financing  
 Projected Years Ended

Exhibit  
 Schedule 1b  
 Page 1  
 Witness:

0

	0	1	2	3	4	5	Totals
Plant to be Constructed	\$ -	\$ 5,287,530	\$ 394,650	\$ 394,350	\$ 478,250	\$ 575,500	\$ 7,130,280
Financing:							
Contributions-in-aid of Construction (Service Lines)							
Common Equity Issued for Plant Construction							
Common Equity Issued For Working Capital	25,000	75,000					100,000
Debt Financing Issued for Plant Construction							
Total Financing	\$ 25,000	\$ 441,313	\$ 366,313	\$ 732,625	\$ 732,625	\$ 732,625	\$ 3,030,500

Exhibit  
Schedule 1c  
Page 1  
Witness:

**Witness:**

Line No.	Year											
	0	1	2	3	4	5						
<b>Developer Advances Collected</b>												
Internal Parcel Infrastructure												
		\$	351,563	\$	351,563	\$	703,125	\$	703,125			
<b>Total Collected</b>												
	\$	-	\$	351,563	\$	351,563	\$	703,125	\$	703,125		
<b>Cummulative Collected</b>												
	\$	-	\$	351,563	\$	703,125	\$	1,406,250	\$	2,109,375	\$	2,812,500
<b>Developer Advances Refunded (a)</b>												
Advances Refunds at 10% of None Effluent Revenues												
<b>Total Refunds</b>												
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Cummulative Refunds</b>												
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Cummulative Balance</b>												
	\$	-	\$	351,563	\$	703,125	\$	1,406,250	\$	2,109,375	\$	2,812,500
<b>(a) Refund Rate per Year</b>												
10% of Revenue from Customers served by line extension												

**Picacho Cove Water Company, Inc.**  
**Schedule of Security Deposits Collected and Refunded**  
**Projected Years**

Exhibit  
Schedule 1d  
Page 1  
Witness:

0

Line No.	Year				
	0	1	2	3	4
<b>Security Deposits</b>					
Residential		\$ 14,750	\$ 14,750	\$ 29,500	\$ 29,500
Commercial		-	-	-	-
School		-	-	-	-
Total Collected	\$ -	\$ 14,750	\$ 14,750	\$ 29,500	\$ 29,500
Cumulative Collected	\$ -	\$ 14,750	\$ 29,500	\$ 59,000	\$ 88,500
<b>Security Deposits Refunded (a)</b>					
Security Deposits from Year 1			\$ 14,750		
Security Deposits from Year 2				\$ 14,750	
Security Deposits from Year 3					\$ 29,500
Security Deposits from Year 4					29,500
Security Deposits from Year 5					
Total Refunds	\$ -	\$ -	\$ 14,750	\$ 14,750	\$ 29,500
Cumulative Refunds	\$ -	\$ -	\$ 14,750	\$ 29,500	\$ 59,000
Cumulative Balance	\$ -	\$ 14,750	\$ 14,750	\$ 29,500	\$ 29,500

(a) Assumed that are Security Deposits are refunded in full in following year.

Exhibit  
Schedule 1e  
Page 1  
Witness:

**Witness:**

Line No.	Year				
	0	1	2	3	4
<b>Contributions (Service Lines)</b>					
Residential	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial & School	\$ -	\$ -	\$ -	\$ -	\$ -
Total Collected	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Collected	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Amortization</b>					
Composite Rate (1/2 Yr Conv.)	0.00%	0.00%	0.00%	0.00%	0.00%
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Balance	\$ -	\$ -	\$ -	\$ -	\$ -
-					



Exhibit  
Schedule 2  
Page 1  
Witness:

Year

Interest (Expense) Income on Work. Cap. (c)	375	(73,387)	(149,040)	(145,101)	(132,111)
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3.00%

(c) If Applicable

41 (e) Miscellaneous Expenses of \$400 per month

42 (f) See Property Tax Calculation. Recognizes decreasing assessment ratio.

Exhibit  
Schedule 2a  
Page 1  
Witness:

**Witness:**

Line	No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
------	-----	---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

Picacho Cove Water Company, Inc.  
Customer Counts  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 2  
Witness:

0

Line No.	Year	Year	Year	Year	Year
	1	2	3	4	5
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					

  

Year Ended	Year	Year	Year	Year	Year
Residential	2	3	4	5	6
5/8 Inch	250	500	1,000	1,500	2,000
Commercial					
5/8 Inch	-	-	-	-	-
1 Inch	-	-	-	-	-
2 Inch	-	-	-	-	-
Irrigation	1	1	1	1	1
Total	251	501	1,001	1,501	2,001

  

1/2 Year Convention	Year	Year	Year	Year	Year
Year Ended	1	2	3	4	5
Residential	125.00	375.00	750.00	1,250.00	1,750.00
5/8 Inch	-	-	-	-	-
Commercial					
5/8 Inch	-	-	-	-	-
1 Inch	-	-	-	-	-
2 Inch	-	-	-	-	-
Irrigation	0.50	1	1	1	1
Total	125.50	376.00	751.00	1,251.00	1,751.00

Picacho Cove Water Company, Inc.  
 Gallons Treated (1,000's)  
 For Projected Years Ended

Exhibit  
 Schedule 2a  
 Page 3  
 Witness:

0

Line No.	Year	1	2	3	4	5
1	<u>Year Ended</u>					
2	<u>Residential</u>					
3	5/8 Inch	8,250	24,750	49,500	82,500	115,500
4						
5						
6	<u>Commercial</u>					
7	5/8 Inch	-	-	-	-	-
8	1 Inch	-	-	-	-	-
9	2 Inch	-	-	-	-	-
10						
11	<u>Irrigation</u>					
12						
13	<u>School 2 Inch</u>	-	-	-	-	-
14						
15						
16						
17	Total	8,250	24,750	49,500	82,500	115,500
18						
19	Commercial & School	-	-	-	-	-
20						
21						
22						

Picacho Cove Water Company, Inc.  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 4  
Witness:

0

Line

No.

Projected Customers / Residential 5/8 Inch Meter

Year				
1	2	3	4	5

Estimated connections installed by year end

(Cumulative)

Estimated connection installed during the year

1/2 Year Convention for Revenue

Projected Revenue

Annual gallonage delivered (in 1,000's)\* Flow through factor

Assuming average usage per month of 5500 Gals.

Daily Gallons

Residential:

Monthly Mins.

\$ 29.50 Minimum Charge

(Assumes water usage of 8,000 gallons per month)

Establishment Fees at

Total Revenue

263.01 = Gallons per Household per day

30.42 = Days in Average Month

100% = Wastewater Recovery Rate

\*Flow through factor

SET TO 100 PERCENT IN WATER MODEL

250	500	1,000	1,500	2,000
250	250	500	500	500
125.00	375.00	750.00	1,250.00	1,750.00

100%

5,500

\$ 44,250	\$ 132,750	\$ 265,500	\$ 442,500	\$ 619,500
-----------	------------	------------	------------	------------

\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000	\$ 15,000
\$ 51,750	\$ 140,250	\$ 280,500	\$ 457,500	\$ 634,500

Picacho Cove Water Company, Inc.  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 6  
Witness:

0

Line  
No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32

Projected Customers / Commercial 5/8 Inch Meter

		Year			
		1	2	3	4
Estimated connections installed by year end (Cumulative)		0	0	0	0
Estimated connection installed during the year		0	0	0	0
1/2 Year Convention for Revenue		-	-	-	-

Projected Revenue

Annual gallonage delivered (in 1,000's)*	1	-	-	-	-
Assuming average usage per month of:		30,417			
Daily Gallons		-	-	-	-
Commercial					
Monthly Mins. 5/8 Inch Meter	\$	29.50	Minimum Charge	\$	-

Establishment Fees at	\$	30.00	Total Revenue	\$	-
				\$	-

1,000 = Gallons per Business per day  
30.42 = Days in Average Month  
100% = Wastewater Recovery Rate

\*Flow through factor

**Picacho Cove Water Company, Inc.**  
**Schedule of Projected Revenues / Effluent**  
**For the Years Ended**

Exhibit  
Schedule 2a  
Page 9  
Witness:

0

Line No.		Year				
		1	2	3	4	5
7	<b>Projected Revenue</b>					
8	<b>Customers / Residential</b>					
9	Annual gallonage delivered (in 1,000's) at					
10	Annual gallonage delivered (in Acre Feet)					
11	<b>Customers / Commercial</b>					
12	Annual gallonage delivered (in 1,000's) at					
13	Annual gallonage delivered (in Acre Feet)					
14	<b>Customers / School</b>					
15	Annual gallonage delivered (in 1,000's) at					
16	Annual gallonage delivered (in Acre Feet)					
17	<b>Totals</b>					
18	Annual gallonage delivered (in 1,000's) at					
19	Annual gallonage delivered (in Acre Feet)*					
20						
21	Charge per Acre Foot	\$	\$	\$	\$	\$
22	Percent of Effluent Sold (a)					
23						
24	Price per 1,000 gallons =	\$	\$			
25						
26	Establishment Fee					
27						
28						
29	<b>Total Effluent Revenue</b>	\$	\$	\$	\$	\$
30	<b>Customers</b>	1	1	1	1	1
31	(a) Assumed that Effluent sales would total only 80% of available effluent, due to inability to utilize all effluent. In Winter Months, effluent					
32	will also be recharged.					
33						
34						
35						



Picacho Cove Water Company, Inc.  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 5  
Witness:

0

Line  
No.

Projected Customers / School 2 Inch Meter:

Year				
1	2	3	4	5

Estimated connections installed by year end  
(Cumulative)

Estimated connection installed during the year

1/2 Year Convention for Revenue

Projected Revenue

Annual gallonage delivered (in 1,000's)\*      Flow through factor      1      -      -      -      -      -

Assuming average usage per month of:      300,000

Daily Gallons      15,000

School:

Monthly Mins. 2 Inch Meter      \$      236.00      Minimum Charge      \$      -      -      -      -      -

Establishment Fees at      \$      30.00

Total Revenue

Based on 750 students at 20 gpd flow, year round classes

\*Flow through factor

1

\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-

**Picacho Cove Water Company, Inc.**  
**Schedule for the Computation of Projected**  
**Property Taxes for the Years Ended**

Exhibit  
Schedule 2b  
Page 1  
Witness: 0

Line No.	Year				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Revenue Component 1	\$ 73,125	\$ 73,125	\$ 73,125	\$ 219,375	\$ 438,750
Revenue Component 2	73,125	73,125	219,375	438,750	731,250
Revenue Component 3	73,125	219,375	438,750	731,250	1,023,750
Average 3 years of revenue, multiplied by 2	\$ 146,250	\$ 243,750	\$ 487,500	\$ 926,250	\$ 1,462,500
Add:	0	0	0	0	0
Construction Work in Progress at 10%					
Deduct:					
Book Value of Transportation Equipment	4,900	9,600	14,100	18,400	22,500
Full Cash Value	\$ 141,350	\$ 234,150	\$ 473,400	\$ 907,850	\$ 1,440,000
Times Assessment Ratio	24.50%	24.00%	23.50%	23.00%	22.50%
Assessed Value	\$ 34,631	\$ 56,196	\$ 111,249	\$ 208,806	\$ 324,000
Property Tax Rate (State Wide Rate Used)	12.18%	12.18%	12.18%	12.18%	12.18%
<b>Computed Property Tax</b>	<b>\$ 4,218</b>	<b>\$ 6,845</b>	<b>\$ 13,550</b>	<b>\$ 25,433</b>	<b>\$ 39,463</b>

Picacho Cove Water Company, Inc.  
Projected Cash Flows  
For the Years Ended

Exhibit  
Schedule 3  
Page 1  
Witness:

0

Line No.	Year				
	0	1	2	3	4
<b>Cash from Operations</b>					
Beginning Cash Balance	\$ -	\$ 25,000	\$ (4,917,466)	\$ (5,018,543)	\$ (4,654,882)
Income from Operations		(173,983)	(219,485)	(133,396)	87,012
Add Depreciation expense		77,734	161,495	173,532	190,479
<b>Total Cash From Operations</b>	\$ -	\$ (96,249)	\$ (57,989)	\$ 40,136	\$ 277,491
<b>Cash from Financing</b>					
Common Equity	\$ 25,000	\$ 75,000	\$ -	\$ -	\$ -
Advances in Aid of Const.	-	351,563	351,563	703,125	703,125
Contribution in Aid of Const. (Service Lines)	-	-	-	-	-
Deposits (security) collected	-	14,750	14,750	29,500	29,500
<b>Total Cash from Financing</b>	\$ 25,000	\$ 441,313	\$ 366,313	\$ 732,625	\$ 732,625
<b>Uses of Cash:</b>					
Deposit (Security) refunded	\$ -	\$ -	\$ 14,750	\$ 14,750	\$ 29,500
Capital Improvements - Plant	-	5,287,530	394,650	394,350	478,250
<b>Total Cash Uses</b>	\$ -	\$ 5,287,530	\$ 409,400	\$ 409,100	\$ 507,750
<b>Ending Cash Balance</b>	\$ 25,000	\$ (4,917,466)	\$ (5,018,543)	\$ (4,654,882)	\$ (3,503,242)
<b>Interest Income: Assuming Earning Equal to Inflation Factor on Average Cash Balance</b>					
Average Cash Balance	\$ 12,500	\$ (2,446,233)	\$ (4,968,004)	\$ (4,836,712)	\$ (4,403,699)
Interest Earned	\$ 375	\$ (73,387)	\$ (149,040)	\$ (145,101)	\$ (132,111)

(3,827,879)  
(114,836)

Picacho Cove Water Company, Inc.  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 7  
Witness:

0

Line No.	Projected Customers / Commercial 1 Inch Meter	1	2	3	4	5
1						
2						
3						
4						
5						
6	Estimated connections installed by year end (Cumulative)					
7	Estimated connection installed during the year					
8						
9						
10	1/2 Year Convention for Revenue	-	-	-	-	-
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*	0.6	-	-	-	-
15	Assuming average usage per month of:					
16	Daily Gallons		-	-	-	-
17	Commercial					
18	Monthly Mins. 1 Inch Meter \$	73.75	Minimum Charge	\$	-	\$
19						
20						
21						
22						
23						
24						
25	Establishment Fees at	\$	-	**		
26	Total Revenue	\$	-	\$	-	\$
27		\$	-	\$	-	\$
28						
29	*Flow through factor	0.6				
30	** Not collected if sewer customer is also taking water service.					
31						
32						

Picacho Cove Water Company, Inc.  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 8  
Witness:

0

Line No.		Year				
		1	2	3	4	5
<u>Projected Customers / Commercial 2 Inch Meter</u>						
6	Estimated connections installed by year end (Cumulative)	-	-	-	-	-
8	Estimated connection installed during the year	-	-	-	-	-
10	1/2 Year Convention for Revenue	-	-	-	-	-
<u>Projected Revenue</u>						
14	Annual gallonage delivered (in 1,000's)*	0.6	-	-	-	-
15	Assuming average usage per month of:	18,000	-	-	-	-
16	Daily Gallons	-	-	-	-	-
17	Commercial					
18	Monthly Mins. 2 Inch Meter	\$ 236.00	\$ -	\$ -	\$ -	\$ -
19	Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -
25	Establishment Fees at	\$ 30.00 **	\$ -	\$ -	\$ -	\$ -
26	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
29	*Flow through factor	0.6				
30	** Not collected if sewer customer is also taking water service.					